

CONFIDENTIAL



Cite SH
CCBG

1. Nigel
2. dates

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 May 1988

Dear Tony,

TORONTO ECONOMIC SUMMIT: POSSIBLE INITIATIVES

Further to Nigel Wicks' letter of yesterday's date, it may be helpful if I record a brief discussion the Prime Minister had with the Chancellor earlier this morning.

The Prime Minister said that one of her concerns about the present operation of the GATT was that compensation payments for those who broke the rules were not penal. She wonders whether an initiative for the Summit could take the form of pressing for the introduction of genuine penalties under the GATT rules.

In further discussion the Chancellor mentioned his concern that further progress should be made in the current GATT round on agriculture. He thought that agriculture was an important dimension for discussion on trade matters at the Summit.

I am copying this letter to Alex Allan (HM Treasury) and Trevor Woolley (Cabinet Office).

Yours sincerely,
Paul Gray

PAUL GRAY

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office

CONFIDENTIAL